

SENATE AMENDMENTS

2nd Printing

By: Zerwas, et al.

H.B. No. 2903

A BILL TO BE ENTITLED

AN ACT

relating to the program of all-inclusive care for the elderly.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 32.053, Human Resources Code, is amended by amending Subsections (a), (b), and (e) and adding Subsections (f), (g), and (h) to read as follows:

(a) The department, as an integral ~~[a]~~ part of the medical assistance program, shall develop and implement a program of all-inclusive care for the elderly (PACE) in accordance with Section 4802 of the Balanced Budget Act of 1997 (Pub. L. No. 105-33), as amended. The department shall provide medical assistance to a participant in the PACE program in the manner and to the extent authorized by federal law.

(b) The executive commissioner of the Health and Human Services Commission ~~[department]~~ shall adopt rules as necessary to implement this section. In adopting rules, the executive commissioner ~~[department]~~ shall:

(1) use the Bienvivir Senior Health Services of El Paso initiative as a model for the program; ~~[and]~~

(2) ensure that a person is not required to hold a certificate of authority as a health maintenance organization under Chapter 843, Insurance Code, ~~[the Texas Health Maintenance Organization Act (Chapter 20A, Vernon's Texas Insurance Code)]~~ to provide services under the PACE program;

1 (3) ensure that participation in the PACE program is
2 available as an alternative to enrollment in a Medicaid managed
3 care plan under Chapter 533, Government Code, for eligible
4 recipients, including recipients eligible for assistance under
5 both the medical assistance and Medicare programs;

6 (4) ensure that managed care organizations that
7 contract under Chapter 533, Government Code, consider the
8 availability of the PACE program when considering whether to refer
9 a recipient to a nursing home or other long-term care facility; and

10 (5) establish protocols for the referral of eligible
11 persons to the PACE program.

12 (e) The [~~department, with the cooperation of the Texas~~]
13 Department of [~~on~~] Aging and Disability Services and area agencies
14 on aging[~~7~~] shall develop and implement a coordinated plan to
15 promote PACE program sites operating under this section. The
16 department shall adopt policies and procedures, including
17 operating guidelines, to ensure that caseworkers and any other
18 appropriate department staff discuss the benefits of participating
19 in the PACE program with long-term care clients.

20 (f) The department shall consider the PACE program as a
21 community-based service option under any "Money Follows the Person"
22 demonstration project or other initiative that is designed to
23 eliminate barriers or mechanisms that prevent or restrict the
24 flexible use of funds under the medical assistance program to
25 enable a recipient to receive long-term services or supports in a
26 setting of the recipient's choice.

27 (g) A PACE program site may coordinate with entities that

1 are eligible to obtain discount prescription drug prices under
2 Section 340B, Public Health Service Act (42 U.S.C. Section 256b),
3 as necessary to enable the PACE program site to obtain those
4 discounts.

5 (h) The commission shall adopt a standard reimbursement
6 methodology for the payment of all providers of services under the
7 PACE program for purposes of encouraging a natural increase in the
8 number of PACE program sites throughout the state.

9 SECTION 2. Subchapter B, Chapter 32, Human Resources Code,
10 is amended by adding Section 32.0531 to read as follows:

11 Sec. 32.0531. PACE PROGRAM TEAM. The Department of Aging
12 and Disability Services shall establish a PACE program team
13 composed of experienced personnel. The team is responsible for:

14 (1) increasing public attention and awareness of the
15 availability of PACE program sites;

16 (2) increasing the number of PACE program sites
17 operating in this state; and

18 (3) serving as a liaison with the state and federal
19 agencies responsible for administering the PACE program,
20 participants in the program, and PACE program sites.

21 SECTION 3. If before implementing any provision of this Act
22 a state agency determines that a waiver or authorization from a
23 federal agency is necessary for implementation of that provision,
24 the agency affected by the provision shall request the waiver or
25 authorization and may delay implementing that provision until the
26 waiver or authorization is granted.

27 SECTION 4. This Act takes effect September 1, 2011.

ADOPTED

MAY 24 2011

Atty. Gen.
Secretary of the Senate

By: ZERWAS

H.B. No. 2903

Substitute the following for H.B. No. 2903 :

By: *[Signature]*

C.S. H.B. No. 2903

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 32.053, Human Resources Code, is amended by amending Subsections (a), (b), and (e) and adding Subsections (f), (g), and (h) to read as follows:

(a) The department, as an integral [a] part of the medical assistance program, shall develop and implement a program of all-inclusive care for the elderly (PACE) in accordance with Section 4802 of the Balanced Budget Act of 1997 (Pub. L. No. 105-33), as amended. The department shall provide medical assistance to a participant in the PACE program in the manner and to the extent authorized by federal law.

(b) The executive commissioner of the Health and Human Services Commission [department] shall adopt rules as necessary to implement this section. In adopting rules, the executive commissioner [department] shall:

(1) use the Bienvivir Senior Health Services of El Paso initiative as a model for the program; [and]

(2) ensure that a person is not required to hold a certificate of authority as a health maintenance organization under Chapter 843, Insurance Code, [the Texas Health Maintenance

~~Organization Act (Chapter 20A, Vernon's Texas Insurance Code)]~~ to provide services under the PACE program;

(3) ensure that participation in the PACE program is available as an alternative to enrollment in a Medicaid managed care plan under Chapter 533, Government Code, for eligible recipients, including recipients eligible for assistance under both the medical assistance and Medicare programs;

(4) ensure that managed care organizations that contract under Chapter 533, Government Code, consider the availability of the PACE program when considering whether to refer a recipient to a nursing home or other long-term care facility; and

(5) establish protocols for the referral of eligible persons to the PACE program.

(e) The ~~[department, with the cooperation of the Texas]~~ Department of [en] Aging and Disability Services and area agencies on aging~~[7]~~ shall develop and implement a coordinated plan to promote PACE program sites operating under this section. The department shall adopt policies and procedures, including operating guidelines, to ensure that caseworkers and any other appropriate department staff discuss the benefits of participating in the PACE program with long-term care clients.

(f) The department shall consider the PACE program as a community-based service option under any "Money Follows the Person" demonstration project or other initiative that is designed to eliminate barriers or mechanisms that prevent or restrict the

flexible use of funds under the medical assistance program to enable a recipient to receive long-term services or supports in a setting of the recipient's choice.

(g) A PACE program site may coordinate with entities that are eligible to obtain discount prescription drug prices under Section 340B, Public Health Service Act (42 U.S.C. Section 256b), as necessary to enable the PACE program site to obtain those discounts.

(h) The commission shall adopt a standard reimbursement methodology for the payment of all PACE organizations for purposes of encouraging a natural increase in the number of PACE program sites throughout the state.

SECTION 2. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.0531 to read as follows:

Sec. 32.0531. PACE PROGRAM TEAM. (a) The Department of Aging and Disability Services shall establish a PACE program team composed of experienced personnel. The team is responsible for:

(1) increasing public attention and awareness of the availability of PACE program sites;

(2) increasing the number of PACE program sites operating in this state; and

(3) serving as a liaison with the state and federal agencies responsible for administering the PACE program, participants in the program, and PACE program sites.

(b) The PACE program team shall conduct a study to evaluate

the feasibility of implementing a statewide standard reimbursement rate for all PACE organizations. Not later than September 1, 2012, the PACE program team shall submit to the Health and Human Services Commission a written report containing the findings of the study conducted under this subsection and the team's recommendations. This subsection expires September 2, 2012.

SECTION 3. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 4. This Act takes effect September 1, 2011.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 24, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2903 by Zerwas (Relating to the program of all-inclusive care for the elderly.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend Human Resources Code Chapter 32 regarding the program of all-inclusive care for the elderly (PACE). The bill would require the Health and Human Services Commission (HHSC) to ensure that PACE participation is available as an alternative to enrollment in a Medicaid managed care plan; the agency must ensure that managed care organizations (MCOs) with which HHSC contracts consider the PACE program when referring a recipient to a nursing home or other long-term care facility; the agency must establish protocols for the referral of eligible persons for PACE; and adopt a standard reimbursement methodology for provider payments under the PACE program. The Department of Aging and Disability Services (DADS) shall consider the PACE program as a community-based service option under Money Follows the Person.

Currently, the STAR+Plus waiver has mandatory enrollment for aged and disabled individuals in areas of the state where it is available. The bill would require HHSC to amend the existing waiver to allow members to choose between the PACE program and STAR+Plus. HHSC indicates the contracts with MCOs would also need to be amended. Providing PACE as an alternative to STAR+Plus could result in a small savings to HHSC with an offsetting cost to DADS, as DADS would make the payment to the PACE provider when the client disenrolls from STAR+Plus managed care. Any net savings would be dependent on a difference in average monthly cost between PACE and STAR+Plus, which may be affected by the standard reimbursement methodology for PACE required by the bill. Currently there are only three PACE sites with 1,078 slots and STAR+Plus is not currently available in those areas (El Paso, Amarillo, and Lubbock); STAR+Plus is expected to be available in Amarillo in FY 2012 and the other two sites in FY 2013. PACE is not an entitlement under Medicaid, so the availability of slots could also affect the ability to enroll clients into the PACE program as an alternative to STAR+Plus or as a community-based service option under Money Follows the Person.

It is anticipated that any cost to implement provisions of the bill would be minimal and could be absorbed within available resources at HHSC and DADS.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: JOB, SD, CL, ML, MB, NB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 17, 2011

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2903 by Zerwas (Relating to the program of all-inclusive care for the elderly.),
Committee Report 2nd House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend Human Resources Code Chapter 32 regarding the program of all-inclusive care for the elderly (PACE). The bill would require the Health and Human Services Commission (HHSC) to ensure that PACE participation is available as an alternative to enrollment in a Medicaid managed care plan; the agency must ensure that managed care organizations (MCOs) with which HHSC contracts consider the PACE program when referring a recipient to a nursing home or other long-term care facility; the agency must establish protocols for the referral of eligible persons for PACE; and adopt a standard reimbursement methodology for provider payments under the PACE program. The Department of Aging and Disability Services (DADS) shall consider the PACE program as a community-based service option under Money Follows the Person.

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Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services,
Department of

LBB Staff: JOB, CL, ML, MB, NB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 11, 2011

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2903 by Zerwas (Relating to the program of all-inclusive care for the elderly.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Human Resources Code Chapter 32 regarding the program of all-inclusive care for the elderly (PACE). The bill would require the Health and Human Services Commission (HHSC) to ensure that PACE participation is available as an alternative to enrollment in a Medicaid managed care plan; the agency must ensure that managed care organizations (MCOs) with which HHSC contracts consider the PACE program when referring a recipient to a nursing home or other long-term care facility; the agency must establish protocols for the referral of eligible persons for PACE; and adopt a standard reimbursement methodology for provider payments under the PACE program. The Department of Aging and Disability Services (DADS) shall consider the PACE program as a community-based service option under Money Follows the Person.

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Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: JOB, CL, ML, MB, NB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 30, 2011

TO: Honorable Richard Pena Raymond, Chair, House Committee on Human Services

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2903 by Zerwas (Relating to the program of all-inclusive care for the elderly.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend Human Resources Code Chapter 32 regarding the program of all-inclusive care for the elderly (PACE). The bill would require the Health and Human Services Commission (HHSC) to ensure that PACE participation is available as an alternative to enrollment in a Medicaid managed care plan; the agency must ensure that managed care organizations (MCOs) with which HHSC contracts consider the PACE program when referring a recipient to a nursing home or other long-term care facility; the agency must establish protocols for the referral of eligible persons for PACE; and adopt a standard reimbursement methodology for provider payments under the PACE program. The Department of Aging and Disability Services (DADS) shall consider the PACE program as a community-based service option under Money Follows the Person.

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Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: JOB, CL, ML, MB, NB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 21, 2011

TO: Honorable Richard Pena Raymond, Chair, House Committee on Human Services

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2903 by Zerwas (Relating to the program of all-inclusive care for the elderly.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Human Resources Code Chapter 32 regarding the program of all-inclusive care for the elderly (PACE). The bill would require the Health and Human Services Commission (HHSC) to ensure that PACE participation is available as an alternative to enrollment in a Medicaid managed care plan; the agency must ensure that managed care organizations (MCOs) with which HHSC contracts consider the PACE program when referring a recipient to a nursing home or other long-term care facility; and the agency must establish protocols for the referral of eligible persons for PACE. The Department of Aging and Disability Services (DADS) shall consider the PACE program as a community-based service option under Money Follows the Person.

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LBB Staff: JOB, CL, ML, MB, NB, LR